

ORDER NO. 1090

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Mark Acton, Vice Chairman;
Nanci E. Langley; and
Robert G. Taub

Market Dominant Product Prices
Bilateral
Negotiated Service Agreement

Docket No. MC2010-12

Market Dominant Product Prices
Canada Post–United States Postal Service
Contractual Bilateral Agreement for Inbound
Market Dominant Services (MC2010-12)
Negotiated Service Agreement

Docket No. R2010-2

ORDER GRANTING MOTION FOR EXTENSION

(Issued December 30, 2011)

The Canada Post–United States Postal Service Contractual Bilateral Agreement for Inbound Market Dominant Services negotiated service agreement (Bilateral Agreement) approved in this proceeding is set to expire on December 31, 2011.¹ The Postal Service requests that the Commission briefly extend the existing inbound market

¹ See Order No. 375, Order Concerning Bilateral Agreement with Canada Post for Inbound Market Dominant Services, December 30, 2009.

dominant rates to maintain continuity of pricing and other terms and conditions applicable to the market dominant portion of the Bilateral Agreement.²

The Postal Service explains that it requested approval for new rates under a new bilateral agreement with Canada Post Corporation (Canada Post 2012 Agreement) on November 23, 2011.³ The Commission approved this request on December 27, 2011, and the Canada Post 2012 Agreement will become effective on January 1, 2012.⁴ However, pursuant to 39 U.S.C. § 3622(d)(1)(C), the new rates cannot become effective before January 7, 2012. Motion at 1-2. Without an extension, the Postal Service contends that there would be a gap between the current rates in effect under the Bilateral Agreement and the new rates set forth in the Canada Post 2012 Agreement. *Id.* at 2. Thus, the Postal Service requests that the Commission extend the existing terms and conditions applicable to market dominant products under the Bilateral Agreement, including the rates, until January 7, 2012.⁵

The Motion is granted. The Bilateral Agreement approved in this proceeding is authorized to continue in effect until January 7, 2012. Allowing the existing contract to remain in effect temporarily is in the public interest and will not prejudice any person.

² United States Postal Service Motion for Extension of Market Dominant Rates Under Negotiated Service Agreement, December 27, 2011, at 2 (Motion). The Postal Service explains that it will amend the Bilateral Agreement to maintain southbound rates until they have been approved by the Commission or the 45-day notice period has passed, whichever is later. *Id.* at 2 n.1.

³ Docket No. R2012-5, Notice of United States Postal Service of Type 2 Rate Adjustment, and Notice of Filing Functionally Equivalent Agreement, November 23, 2011.

⁴ Docket No. R2012-5, Order No. 1078, Order Concerning Rate Adjustment for Bilateral Agreement with Canada Post Negotiated Service Agreement, December 27, 2011; Docket No. R2012-5, Notice of United States Postal Service of Filing Executed Agreement, December 27, 2011.

⁵ The Postal Service requests that rates be extended to either the effective date of the Canada Post 2012 Agreement or January 7, 2012, whichever is earlier. *Id.* However, because the effective date of the Canada Post 2012 Agreement occurs before the new rates can become effective under 39 U.S.C. § 3622(d)(1)(C), the appropriate relief is to extend the current rates until January 7, 2012.

It is ordered:

1. The United States Postal Service Motion for Extension of Market Dominant Rates Under Negotiated Service Agreement, filed December 27, 2011, is granted.
2. The existing contract may remain in effect as set forth in the body of this Order.

By the Commission.

Ruth Ann Abrams
Acting Secretary